

EXHIBIT C-1

PM USA
EVENT MARKETING
1998 Marlboro Bar Nights

September 9, 1997

Cost Description	1998 General Operating Budget	1998 Spring Resort	1998 Sell In	1999 Sell In	1998 Music	1998 Magic	1998 VALUE ADDED	1998 OVERALL PROGRAM COST
LABOR RATES (weekly rates):								
Sell in Staff	\$625.00	\$625.00	\$625.00	\$625.00	\$625.00	\$625.00	\$625.00	
General Manager	\$625.00	\$625.00	\$625.00	\$625.00	\$625.00	\$625.00	\$625.00	
Assistant Manager FT	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	
Region Managers	\$682.50	\$682.50	\$682.50	\$682.50	\$682.50	\$682.50	\$682.50	
Supervisors/Promo Mgr. (Spring is Hourly)	\$603.75	\$15.00	\$603.75	\$603.75	\$603.75	\$603.75	\$603.75	
Music Coordinator	\$575.00	\$575.00	\$575.00	\$575.00	\$575.00	\$575.00	\$575.00	
Merchandisers (Hourly Rate)	\$13.00	\$12.25	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	
<u>TOTAL LABOR</u>								
12 Sell in Staff x 15 weeks			225,000	225,000				450,000
37 General Managers x 54 weeks	1,271,875							1,271,875
37 FT Assistant GM x 54 weeks	999,000							999,000
Music Coordinator	0				147,200			147,200
6 Region Managers x 54 weeks	221,130							221,130
37 Supervisors x 26 weeks (Promo Mgr.)	580,808	14,400						625,108
200 Merchandisers x 32 hrs. x 22 weeks	1,830,400	43,904			6,720			1,881,024
Tax Factor	782,062	9,299	35,888	35,888	24,550			892,456
TOTAL - LABOR	\$5,685,275	\$67,603	\$260,888	\$260,888	\$178,470	\$0	\$0	\$6,453,124
<u>OPERATING EXPENSES</u>								
SELL IN STAFF - Travel								
In Market Mileage	0		29,970	29,970				59,940
Air Fare	0		15,000	15,000				30,000
Hotel	0		14,400	14,400				28,800
Rental Car/Ground Trans.	0		7,880	7,680				15,360
Per Diem	0		4,800	4,800				9,600
Subtotal	\$0	\$0	\$71,850	\$71,850	\$0	\$0	\$0	\$143,700
SELL IN STAFF - ADMIN.:								
Phone/Fax/Copies	0		18,400	18,400				36,800
Pagers	0		10,000	10,000				20,000
Shipping/Overnights	0		12,000	12,000				24,000
Supplies/Miscellaneous	0		5,200	5,200				10,400
Subtotal	\$0	\$0	\$45,600	\$45,600	\$0	\$0	\$0	\$91,200

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LOCAL SPVSR. TRAVEL (Prom Mgr.):								
Airfare	0	1,800						1,800
Hotel	0	18,000						18,000
Per Diem	0	3,000						3,000
Subtotal	\$0	\$22,800	\$0	\$0	\$0	\$0	\$0	\$22,800
LOCAL SPVR. ADM.(Prom. Mgr.):								
Phone/fax/copies	68,820	2,000						70,820
Shipping/postage	30,000	2,000						32,000
Supplies	33,300	1,000						34,300
Travel	0							0
Subtotal	\$132,120	\$5,000	\$0	\$0	\$0	\$0	\$0	\$137,120
REGION MGR. TRVL:								
Air Fare	108,000	1,800						109,800
Hotel	67,200	2,000						69,200
Rental Cars/Ground Trans	36,180	1,000						37,180
Per Diem	24,120	500						24,620
Subtotal	\$235,500	\$5,300	\$0	\$0	\$0	\$0	\$0	\$240,800
REGION MGR. ADMIN.:								
Phone/fax/copies	63,000	1,500						64,500
Shipping / Overnights	18,800	1,000						17,800
Supplies / Misc.	20,180	300						20,480
Subtotal	\$99,980	\$2,800	\$0	\$0	\$0	\$0	\$0	\$102,780
GM ADMIN.:								
Phone/fax/copies	58,832							58,832
Shipping/Postage	69,264							69,264
Supplies/misc.	18,500							18,500
Subtotal	\$144,596	\$0	\$0	\$0	\$0	\$0	\$0	\$144,596
ASST. GM ADMIN.:								
Phone/fax/copies								0
Shipping/Postage								0
Supplies/misc.								0
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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TRAINING:								
Airfare	50,000		27,000	27,000				104,000
Hotel	65,000		35,200	35,200				125,400
Rental Cars/Transp.	10,000		3,000	3,000				16,000
Training Rooms	3,500	1,000	1,000	1,000				6,500
Training Rooms - Local	14,800							14,800
Supervisors		480						480
Merchandisers	0	4,116						4,116
Food & Beverage	31,500		23,100	23,100				77,700
Misc. Expenses								0
Subtotal	\$164,800	\$5,596	\$89,300	\$89,300	\$0	\$0	\$0	\$348,996
VEHICLE EXPENSE:								
Fuel	189,283	1,094						190,377
Vehicle Washes	55,130	600						55,730
Oil Changes	16,280	0						16,280
Truck Storage	366,300	4,000						370,300
Transportation (New 1998)		3,000						3,000
Subtotal	\$628,993	\$8,694	\$0	\$0	\$0	\$0	\$0	\$635,687
WAREHOUSE EXPENSES:								
Local Market Storage Facilities	155,400	1,200						156,600
Chicago	5,400	400						5,800
Subtotal	\$160,800	\$1,600	\$0	\$0	\$0	\$0	\$0	\$162,400
EXECUTIVE TRAVEL:								
Airfares	39,300	1,800	8,500	8,500				58,100
Hotel	32,000	1,200	5,100	5,100				43,400
Rental Cars	13,850	480	2,261	2,261				18,852
Ground Transportation	4,300							4,300
Per diem	26,450	360	2,550	2,550				31,910
Subtotal	\$115,900	\$3,840	\$18,411	\$18,411	\$0	\$0	\$0	\$156,562

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CORPORATE ADMIN:								
Phone/fax/copies	45,000	1,200			9,100	4,000		59,300
Administration								6,000
Legal								10,000
Pagers	44,400	800						45,200
Shipping - Intramarket	6,450							6,450
Shipping - Corp.	8,600				10,120			18,720
Postage	1,000							1,000
Printing/Supplies/Misc.	8,600	800			5,310			14,510
Industry Events / Misc.					173,500			173,500
Recruiting	25,800				24,050	37,000		86,850
Computer upgrades / maint. NEW								0
Subtotal	\$195,350	\$2,800	\$0	\$0	\$222,080	\$41,000	\$0	\$461,030
STORAGE:								
Visibility Item Storage	248,640							248,640
Product Storage								0
Subtotal	\$248,640	\$0	\$0	\$0	\$0	\$0	\$0	\$248,640
TALENT:								
Band Appearance Fees	0				3,582,000			3,582,000
Magician Appearance Fees						481,000		481,000
Studio Time/Prizes	0							0
Backdrops/Club Visibility	0							0
Subtotal	\$0	\$0	\$0	\$0	\$3,582,000	\$481,000	\$0	\$4,063,000
EVENT/SHOWCASE TRAVEL								
Airfare					49,500			49,500
Hotel					22,000			22,000
Rental Car/ground trans.					10,600			10,600
Per Diem					9,875			9,875
Subtotal	\$0	\$0	\$0	\$0	\$91,775	\$0	\$0	\$91,775
PREMIUMS:								
E7 Cd Opener					50,000			50,000
Additional Music Related Item					50,000			50,000
Subtotal	0	0	0	0	100,000	0	0	\$100,000
INSURANCE:	\$60,000	\$2,000	\$0	\$0	\$0	\$0	\$0	\$62,000

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DRUG TESTING/DMV CHECKS:								
RM	720							720
GMM	4,440							4,440
Asst. GMM	4,440							4,440
LSup/Merch	88,580	5,780	8,000	8,000				104,340
Subtotal	\$96,180	\$5,780	\$8,000	\$8,000	\$0	\$0	\$0	\$113,940
LICENSES FOR TOBACCO SALE:	\$0							0
VALUE ADDED PROGRAM	\$0	\$0	\$0	\$0	\$0	\$0	\$3,530,000	\$3,530,000
TOTAL OPERATING EXPENSES:	\$2,280,839	\$85,990	\$231,161	\$231,161	\$3,995,855	\$522,000	\$3,530,000	\$10,857,006
TOTAL ESTIMATED LABOR COST:	\$5,885,275	\$67,603	\$260,888	\$260,888	\$178,470	\$0	\$0	\$6,453,124
MANAGEMENT FEE:	\$943,070	\$18,672	\$81,407		\$519,133	\$85,145	\$98,748	\$1,704,178
TOTAL ESTIMATED PROGRAM COST:	\$8,909,184	\$150,266	\$553,456	\$492,049	\$4,693,458	\$607,145	\$3,628,748	\$19,014,306

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